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09/710,999	11/09/2000	Tetsunosuke Fujisaki	YO999-527	5835

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EXAMINER

SUBRAMANIAN, NARAYANSWAMY

ART UNIT	PAPER NUMBER
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3624

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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 09/710,999  
Filing Date: November 09, 2000  
Appellant(s): FUJISAKI, TETSUNOSUKE

Kevin M. Mason, Reg. No. 36,597  
For Appellant

**EXAMINER'S ANSWER**

**MAILED**  
OCT 11 2005  
**GROUP 3600**

This is in response to the appeal brief filed July 25, 2005 appealing from the Office action mailed December 20, 2004.

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**(1) *Real Party in Interest***

A statement identifying the real party in interest is contained in the brief.

**(2) *Related Appeals and Interferences***

A statement identifying the related appeals and interferences that will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief. The Appellants have stated in the appeal that there are no related appeals and interferences that will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief.

**(3) *Status of Claims***

The statement of the status of the claims contained in the brief is correct.

**(4) *Status of Amendments After Final***

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) *Summary of Claimed Subject Matter***

The summary of claimed subject matter contained in the brief is correct.

**(6) *Grounds of Rejection to be Reviewed on Appeal***

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

**(7) *Claims Appendix***

The copy of the appealed claims contained in the Appendix to the brief is correct.

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**(8) Evidence Relied Upon**

6,266,651                                      WOOLSTON                                      7-2001

5,924,082                                      SILVERMAN et al                                      7-1999

Fitch, T.P, "Dictionary of Banking Terms" (Fourth Edition), pp. 408-409

**(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

(i)     The claims 1-5 of the invention are rejected under 35 USC § 101 because they are directed to non-statutory subject matter. Claims 1-5 are drawn to a method for processing transactions involving financial securities that is not tied to any technological art. Claims 1-5 are directed to non-statutory subject matter because they lack any recitation of technology in the body of the claims, which is required in order to meet the statutory requirements. Specifically the method claims as presented do not claim a technological basis in the pre-amble and the body of the claim. Without a claimed basis, the claim may be interpreted in an alternative as involving no more than a manipulation of an abstract idea and therefore non-statutory under 35 U.S.C. 101. In contrast, a method claim that includes in the body of the claim structural / functional interrelationship which can only be computer implemented is considered to have a technological basis [See Ex parte Bowman, 61 USPQ2d 1669, 1671 (Bd. Pat. App. & Inter. 2001) - used only for content and reasoning since not precedential]. While it is understood that the Bowman case is not precedential, it is cited herein for its content and reasoning.

The substance of this rejection is that the method for processing transactions involving financial securities that is not tied to any technological art. Applicants' arguments that the claimed invention provides useful, concrete and tangible result does not address the point made

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by the examiner, namely lack of technological art in the body of the claims. Hence the rejection is maintained.

(ii) Rejection of claims 17-21 under 35 U.S.C. 112, second paragraph is withdrawn by the examiner in view of Appellant's persuasive arguments.

(iii) Claims 1-5, 17-21 and 32 are rejected under 35 U.S.C. 103(a) as being unpatentable over Woolston (US Patent 6,266,651 B1) in view of Silverman et al (US Patent 5,924,082).

With reference to claims 1, 17 and 32, Woolston teaches a method, a system and an article of manufacture respectively for processing transactions in a secondary market, the method comprising the steps of: establishing a plurality of market segments in said secondary market, each of said market segments having at least one market participant (See Woolston Column 1 lines 51-67, the tiers constitute the market segments and used goods imply secondary markets); receiving a bid for one or more goods, said bid including one or more authorized market segments (See Woolston claim 35, receiving bids from retail segment is implied in the disclosure); and posting said bid only to said one or more authorized market segments (See Woolston claims 5 and 18, privileges available to only one segment is interpreted to include this feature). A system for processing transactions, comprising a memory that stores computer-readable code and a processor operatively coupled to said memory and an article of manufacture comprising a computer readable medium having computer readable code means embodied thereon are inherent in the disclosure of Woolston. The Dictionary of Banking Terms defines "a secondary market as the market where existing loans, .... and other assets are sold to investors, either directly or through an intermediary". Hence the market for used goods and collectibles disclosed in Woolston qualifies as a secondary market.

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Woolston does not teach the feature wherein the goods are financial securities.

Silverman teaches the feature wherein the goods are financial securities (See Silverman Column 3 lines 50-55).

Both Woolston and Silverman are concerned with the problem of processing transactions involving two parties. It would have been obvious to one with ordinary skill in the art at the time the invention was made to include the feature taught by Silverman to the disclosure of Woolston. The combination of the teaching taken as a whole suggests that parties to the transaction would have benefited from being able to communicate and negotiate other terms with each other before finalizing the transaction.

With reference to claims 2, 3, 18 and 19, Woolston teaches the steps of preventing said bid from being posted to market participants not in said one or more authorized market segments (See Woolston Claims 5 and 18, privileges available to only one segment is interpreted to include the step of preventing said bid from being posted to market participants not in said one or more authorized market segments) and the step of comparing said bid to other pending bids to identify pending bids that are in proximity to said received bid (See Woolston claim 35, selectively displacing a bid implies comparing said bid to other pending bids to identify pending bids that are in proximity to said received bid).

With reference to claims 4 and 20, Silverman teaches the step of establishing a communication channel between entities associated with two bids that are in proximity (See Silverman Column 3 lines 40-44 and 60-64).

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With reference to claims 5 and 21, Silverman teaches the step wherein two bids are in proximity if they have parameters that are within a given threshold of each other (See Silverman Column 4 lines 35-47).

**(10) Response to Argument**

In response to Appellant's arguments with respect to rejection under 35 USC 101 that receiving and posting steps constitute meeting the guidelines established to meet the technological arts requirement, the examiner respectfully disagrees. All the steps of the claim can be interpreted to be performed manually without the use of a computer or a processor. The substance of this rejection is that the method for processing transactions involving financial securities that is not tied to any technological art. Applicants' arguments that the claimed invention provides useful, concrete and tangible result does not address the point made by the examiner, namely lack of technological art in the body of the claims. Hence claims 1-5 are not in compliance with 35 USC 101.

In response Appellant's arguments with respect to rejection of claims 1,2, 17, 18 and 32 under 35 USC 103(a) that secondary market for financial securities is substantially different from the marketplace for used and collectible goods, the examiner respectfully disagrees. As pointed out by the examiner in the rejection of the claims, the market for illiquid financial securities is no different from the market for used and collectible goods. Appellants also agree with this interpretation by concurring "Applicants note that secondary market for used and collectible goods are similar, in some respects, to very illiquid securities" (See Appeal page 5 lines 22-23). Financial markets are given the broadest permissible interpretation to include both liquid and

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illiquid financial securities. Hence the combination of applied art clearly teaches bidding for financial securities in a secondary market.

In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., "a group of other market participants to which the respective market participant is willing to announce its bids") are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

In response to applicant's argument on page 6, that the references fail to disclose or suggest the features of "establishing a plurality of market segments in a secondary market", "posting said bid only to said one or more authorized market segments", and "preventing said bid from being posted to market participants not in said one or more authorized market segments", the examiner respectfully disagrees. Woolston discloses establishing a wholesale and retail markets thereby disclosing establishing a plurality of market segments in a secondary market (See Woolston Abstract). The wholesale bids are posted only to participants in the wholesale market, for example dealer to dealer (See Woolston claims 17 and 18). This clearly discloses the feature of posting said bid only to said one or more authorized market segments. Claim 18 of Woolston also clearly discloses that privileges available in the wholesale markets are not available to retailers thereby disclosing the feature of preventing said bid from being posted to market participants not in said one or more authorized market segments.

In response to applicant's argument that the references fail to teach the feature of identifying bids that are in proximity to said received bid, the examiner respectfully disagrees.



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Claim 35 and the abstract of Woolston clearly show that bids are displaced when the bids are increased by a predetermined amount. The identification of the bids has to take place before the displacement of the bids take place. Also Silverman (Column 9 lines 9-15) teaches the feature of displaying all bids and offers available to a trader. Hence Woolston and Silverman teach this feature separately and in combination.

In response to applicant's argument that the Silverman reference fails to address the issue of establishing a plurality of market segments in a secondary market, the examiner would like to point out Silverman is not relied upon to teach this feature. Woolston clearly teaches this feature as discussed in the rejection of claim 1.

Also in response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). Hence Woolston in combination with Silverman teaches all the claimed features. The motivation to combine the references has been explained in the rejections set forth by the examiner.

**(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

Dr. Narayanswamy Subramanian *N. S.*  
Examiner Art Unit 3624

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